

Internal Revenue Service  
**memorandum**

CC:TL:TS  
WEBERMAN/lcr

date: **MAY 08 1986**

to: District Counsel, San Diego W:SD

from: Director, Tax Litigation Division CC:TL

subject: [REDACTED]

This will confirm oral technical advice provided to Bill Quealy of your office on May 1, 1986. He inquired whether a partnership whose limited partners claimed tax benefits could be a "person," that is, a promoter of abusive tax shelters, within the meaning of section 6700. The shelter itself is abusive within the meaning of section 6700(a)(2). We advised that, if the partnership engaged in activities described in section 6700(a)(1), it would be a "person" within the meaning of the flush language of section 6700(a). The the Tax Division, Department of Justice advocated a similar position under substantially different facts in National Commodity and Barter Assn. v. United States, Civ. No. 85-M-1064 (D. Colo. filed Jan. 13, 1986) at 7-9 (copy attached). The Court specifically recognized that the shelter entity could also be the promoter.

ROBERT P. RUWE

By: Kathleen E. Whatley  
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Enclosure:  
As stated

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